

DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: **B-185783**DATE: **APR 29 1976**

MATTER OF:

**Wayne J. Girton - Reimbursement of
Incidental Real Estate Expenses**

DIGEST:

Claim for reimbursement of fee for inspection of general physical condition of residence (not termite inspection) may not be authorized for payment where evidence indicates inspection was not a required service incident to purchase transaction. Portion of fee already reimbursed should be refunded to agency by claimant.

This action is in response to a request by Mr. Wayne J. Girton, an employee of the Department of the Treasury, Internal Revenue Service, for reconsideration of a settlement issued on October 30, 1975, by our Claims (then Transportation and Claims) Division disallowing his claim for reimbursement of additional real estate expenses incident to a transfer.

The record indicates that Mr. Girton purchased a residence in Greenwood, Indiana, incident to a transfer to Indianapolis, Indiana, pursuant to travel authorization dated August 6, 1974. The purchase contract for Mr. Girton's new residence provided that the fee (\$85) for an inspection by the National Home Inspection Service (NHIS) would be shared equally by the buyer and seller. Mr. Girton paid the one-half of the fee to which he was obligated under the agreement and, when the seller failed to pay his share, Mr. Girton also paid the balance. Mr. Girton has been reimbursed \$42.50 by the agency for his share of the NHIS fee. Mr. Girton's claim for an additional \$42.50 representing his payment of the seller's portion of the NHIS fee was disallowed by the Claims Division, General Accounting Office, by settlement dated October 30, 1975.

The Federal Travel Regulations (FTR), FPMR 101-7, para. 2-3.1a, provide for a miscellaneous expenses allowance to reimburse an employee for the various incidental costs associated with discontinuing residence at the old duty station and establishing residence at the new duty station incident to a transfer. FTR para. 2-6.2f of the regulations allows reimbursement for the expense of incidental charges for required services customarily paid by the seller/purchaser in connection with residence transactions. Since the expense of the NHIS inspection was incurred incident to purchase of a residence by Mr. Girton the question of reimbursability is for consideration under the latter paragraph of the regulation.

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The initial question here is not whether Mr. Girton may be reimbursed for payment of the seller's half of the NHIS fee, but whether any portion of the fee is reimbursable. We have previously held that the cost of a termite inspection is reimbursable as a required service customarily paid by the seller or buyer. See B-176531, November 29, 1973; B-175918, June 15, 1972. Similarly, we have held that a marine survey required for financing the purchase of a houseboat for use as a residence was reimbursable. 53 Comp. Gen. 626 (1974). Conversely, where the inspection of the physical condition of a residence was not a requirement for the purchase or sale but was requested by one of the parties for his own benefit, we held that the expense of the inspection was not reimbursable as a required service. B-184594, February 12, 1976. We also have been informally advised by the Certified Homes Corporation, formerly NHIS, that they do not perform termite inspections.

The evidence here indicates that the inspection was performed for Mr. Girton's benefit and was not an obligation or requirement imposed on him as the purchaser. In these circumstances, we are of the opinion that the inspection fee is not reimbursable as a required service customarily paid by the purchaser of a residence at the new duty station as contemplated by para. 2-6.2f of the Federal Travel Regulations.

Accordingly, Mr. Girton may not be authorized reimbursement for the expense of the seller's share of the NHIS inspection fee and, in addition, the \$42.50 already reimbursed Mr. Girton for his share of the NHIS fee should be refunded to the Internal Revenue Service.

for the
PAUL G. DEMBLING
Comptroller General
of the United States